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October 7, 2005

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**Ex Parte**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: In the Matter of Regulation of Prepaid Calling Card Services, WC Docket No. 05-68;  
In the Matter of Developing A Unified Inter-carrier Compensation Regime, CC  
Docket No. 01-92**

Dear Ms. Dortch:

Verizon submits this *ex parte* in response to AT&T's September 21 and October 3 letters filed in the proceedings referenced above. AT&T's letters reflect a misunderstanding of industry guidelines regarding the creation of standardized billing records and of Verizon's concerns with AT&T's July 15, 2005, certification proposal. Verizon therefore submits the following to clarify those concerns.

The fact that industry guidelines and standards currently do not require carriers to signal the "charge number" or CN in the SS7 signaling stream does *not* mean, as AT&T claims, that charge number therefore is not used for intercarrier billing. To the contrary, long-standing industry guidelines establish that charge number – *if signaled* – is placed into the standardized billing records used for intercarrier billing, instead of the calling party's telephone number, or CPN. *See, e.g.,* Telcordia Tech., *Generic Requirements for Exchange Access Automatic Message Accounting (AMA) (FSD 20-25-0000) (GR-1083 CORE)* at Table 5-2 (Issue 5, Sept. 2005); Telcordia Tech., *LSSGR: Switching System Generic Requirements for Interexchange Carrier Identification (ICI) Using the Integrated Services Digital Network User Part (ISDNUP) (FR-64) (GR-394-CORE)* at § 3.2.2 (Issue 3, Nov. 1999); Ordering & Billing Forum, Issue 2735. Thus, contrary to AT&T's suggestion, it is not merely Verizon's decision to rely on charge number in intercarrier billing records, but rather it is well-established industry practice to do so. Standardized intercarrier billing records throughout the industry therefore rely on charge number, rather than CPN, when charge number is signaled. Indeed, these long-standing industry standards have been incorporated into the design of the industry switch recording equipment itself. Any attempt to change switch recording equipment throughout the industry to ignore charge number, and instead rely entirely on CPN, would be enormously burdensome and expensive.

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For this reason, AT&T's certification procedures, as submitted, do not adequately guard against fraudulent charge number manipulation. AT&T proposes that card providers supply two different types of certifications. First, each prepaid card provider would certify to the Commission the percentage of its prepaid card traffic attributable to interstate, intrastate, and international calls. Providers' certifications to the Commission, however, would not provide useful information for intercarrier billing of access charges. Under the proposal, each provider would make this certification on an *aggregate* basis for all of its card traffic – not broken down for each carrier that terminates the provider's card traffic. Terminating carriers, by contrast, are often bound by tariffs or contractual arrangements to bill access charges based on the nature of the access traffic actually delivered to that terminating carrier. As a result, a terminating carrier's billing for access charges will more likely be based on standardized billing records of the traffic received by that carrier, and the provider's aggregate certifications to the Commission are unlikely to assist the terminating carrier in properly jurisdictionalizing and billing prepaid card traffic.

Second, under some circumstances AT&T's proposal would require a card provider to make specific certifications as to the jurisdictional distribution of its traffic routed to a particular carrier. However, this aspect of AT&T's proposal is still insufficient to guard against fraudulent charge number manipulation, because this requirement is triggered only if the card provider fails to signal CPN data. For example, a card provider may correctly signal end-user CPN, but insert the platform's CPN into the charge number field. Under industry guidelines, the standardized billing records used for intercarrier billing in this circumstance will include the charge number (which is the platform's CPN) rather than the end-user's CPN. This means that the call's true jurisdiction will be masked for billing purposes, even though the card provider transmitted the end user's CPN data in the SS7 signaling stream and thereby avoided the requirement for carrier-specific certifications under AT&T's proposal.

AT&T's certification proposal therefore leaves open a loophole that would enable prepaid card providers to manipulate call detail parameters other than CPN in order to disguise the true jurisdiction of prepaid card traffic. If the Commission is inclined to adopt AT&T's proposed certification procedures, the Commission should first close that loophole to ensure that prepaid card providers cannot avoid paying appropriate access charges by camouflaging the true nature of their prepaid card traffic.

One electronic copy of this Notice is being submitted in accordance with the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Donna Epps". The signature is written in a cursive, flowing style with a large initial "D".